

Affidavit
In Re: Evaluation Process

AFFIDAVIT

Before me, this day personally appeared Mr. Ron McCord who, after first being duly sworn, deposes and says:

That I, Ron McCord, was an employee of the Florida Department of Education as the Deputy Chief Information Officer and was an evaluator of the Invitation to Negotiate Bundled Internet Access Services.

I would like to make the following statements in connection with this procurement:

- A seven member team was gathered together and issued a copy of each of the four proposals. The seven member team was composed of 3 individuals from the Department of Education and 4 individuals from the State Technology Office, agencies of the Governor's office.
- Each member was given a copy of the ITN and instructed to apply these materials and oral instructions to evaluate each proposal based upon cost-effectiveness.
- Pursuant to the directions given and written materials, it was my understanding that cost was the primary factor to be evaluated in Category B – Overall Project Concept, Design and Cost. This was true for each of the sub-criteria in Category B.
- Practically speaking, I did not score higher any bid proposal due to technical merits without reference to cost. It was my understanding that while a proposal could excel technically, the proposal had to be viewed in light of the needs of the Department as reflected in the services requested in the ITN. A proposal could not acquire more points by incorporating items not requested in the ITN. A proposal also could not acquire more points by incorporating technical advances not worth the price. Therefore, pursuant to my evaluation, no bid proposal costing more than another received a higher score in Category B due solely to project concept and overall design.

FURTHER AFFIANT SAYETH NOT.

Ronald McCord
Ron McCord

Sworn to and subscribed before me this 14th day of January, 2008
by Ron McCord who is personally known or who produced
M263-256-40-296-0 Fl. Dr. Lic as identification.

K. Ivonne Cayson
Notary Public

(SEAL)

My Commission Expires



K. Ivonne Cayson
MY COMMISSION # DD083645 EXPIRES
January 10, 2006
BONDED BY TROY FAIR INSURANCE, INC.



State of Florida

Bundled Internet Access Services ITN No. 02-STO-ITN-003

December 2, 2002

County	Address	City	Zip Code	Speed	Total MRC	NRC
Walton	145 Park St. Suite 5	Defuniak Springs	32435-2909	DS3	\$ 9,507.90	\$ 1,075.00
Washington	652 Third Street	Chipley	32428-1442	2xT1	\$ 1,004.01	\$ 1,075.00

Customer Assumptions

- Pursuant to the instructions in ITN section 1.12, Tab C Pricing, Fujitsu submits this good faith pricing estimate. This estimate does not constitute an offer and is for evaluation and discussion purposes only. Final pricing will be established through negotiation as set forth in section 1.12.
- Based on the amount of aggregate bandwidth requested by the state in Attachment III, Procurement Cost Model an assumption of approximately 4,253 locations and 1,000,000 end-users. This assumption includes 3,686 schools, 500 libraries (based on the assumption of multiple libraries per county), 28 Private Universities, 28 Community Colleges, and 11 State Universities.
- All Pricing is based upon the above assumption and that all locations will be installed on the network. Pricing is subject to change should the number of total circuits and or time frame change.
- The bundled price includes both CPE and Management of the CPE. Should the customer elect not to buy CPE and Management, pricing will be adjusted.
- CPE is based on a 36 months lease. Other options and terms are available.

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the fiscal year ended December 31, 2001

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 0-23253

ITC/\DELTACOM, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

58-2301135
(I.R.S. Employer
Identification No.)

1791 O.G. Skinner Drive, West Point, Georgia 31833
(Address of principal executive offices)

(706) 385-8000
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Not Applicable

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value \$.01 per share

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports) and (2) has been subject to such
filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K. ☐

The aggregate market value of the registrant's voting stock held by
non-affiliates of the registrant at March 22, 2002, based upon the last reported
sale price of the registrant's common stock on the Nasdaq National Market on
that date, was approximately \$20.7 million.

The number of shares of the registrant's common stock outstanding on March
22, 2002 was 62,364,768.

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In order to continue as a going concern, we will need to achieve a significant improvement in our liquidity position by August 2002.

Our independent public accountants have stated in their report on our 2002 audited consolidated financial statements included elsewhere in this report that our recurring losses from operations and negative cash flows from operations and limited access to additional capital raise substantial doubt about our ability to continue as a going concern. We must achieve a significant improvement in our liquidity position by August 2002 to conduct our business and to continue to service our indebtedness. For information about our current liquidity position, see "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity."

We have significant indebtedness and may be unable to continue to service that indebtedness.

We had indebtedness of \$723.9 million as of December 31, 2001, and our earnings were insufficient to cover our fixed charges by \$215.6 million for the year ended December 31, 2001. To continue to service our current indebtedness, we will need to raise significant additional funds to supplement our operating cash flows. Our ability to raise additional funds will be subject to prevailing economic conditions and to financial, business and other factors. If we do not obtain additional funds, we will not be able to continue to meet our current debt service obligations. For information about our current liquidity position, see "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity."

Unless our liquidity position improves significantly, we will not be able to make additional capital expenditures to support our growth.

We have historically made significant capital expenditures to expand our network, operations and services according to our business plan. During 2001, we made capital expenditures of approximately \$162 million. Because of our current need for additional funds, we expect to use little, if any, capital to expand our network, operations and services in 2002, but instead expect to apply any capital expenditures associated with our network to maintain the network's existing capabilities. To conserve cash while we seek to complete a potential restructuring to alleviate the significant constraints on our liquidity, we plan to further reduce our capital expenditures. Such a reduction could have a material negative effect on our expected revenue growth. As a result, we do not expect that any growth in revenues or operations we are able to achieve in 2002 will be as significant as the growth we have achieved in previous years.

Agreements governing our current indebtedness contain restrictive covenants that place limits on our business activities.

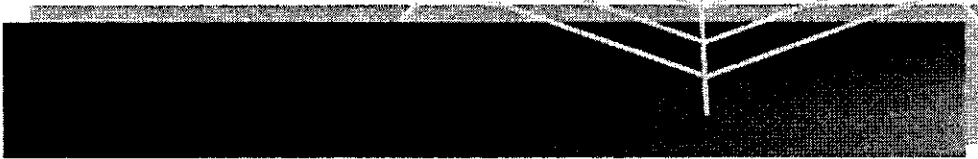
We are subject to restrictions under the indentures pursuant to which we issued our publicly traded senior notes, under our \$160 million senior secured credit facility and under our \$40 million capital lease facility. These restrictions affect and, in some cases, significantly limit or prohibit, among other things, our ability to incur additional indebtedness, create liens, make investments, issue stock and sell assets. Our senior note indentures restrict our ability to incur indebtedness, other than indebtedness to finance the acquisition of equipment, inventory or network assets and other specified indebtedness. Our senior secured credit facility and our \$40 million capital lease facility also contain restrictions on our ability to incur indebtedness. In order to incur additional indebtedness under the foregoing agreements, we must meet minimum specified leverage and interest coverage ratios based on our operating cash flow. As of February 28, 2002, we had not met, and we do not expect that we will be able to meet in the foreseeable future, the measurement criteria under these ratios that would allow us to incur additional indebtedness. These agreements may also limit our flexibility to plan for, or react to, changes in our business, place us at a competitive disadvantage relative to our competitors who have less debt, make us more vulnerable to a downturn in our business or the economy generally, and require us to use a substantial portion of our cash flow from operations to pay principal and interest on our debt, rather than for working capital and capital expenditures.





Number 02-STO-ITN-003
December 2, 2002 at 2:00 PM EST

Bundled Internet Access Service



Bundled Internet Access Service

AT&T is also committed to enhancing opportunities for minority- or women-owned business suppliers (MWBES) in Florida through both this project and other AT&T activities in the State. Last year, AT&T procured over \$168 million in goods and services from State of Florida businesses. Approximately \$50 million of this total went to MWBEs in Florida.

Project Understanding

AT&T has more experience in providing communications services and solutions than any other company in the industry. We offer the "know-how" gained from more than a century of experience in managing and supporting sophisticated, multi-functional networks. We lead the way in providing reliable, feature-rich services by working closely with our customers to develop new applications, features and capabilities to meet their needs.

AT&T's knowledge and understanding of the State's applications, operations, people, and politics are integral components of our experience advantage. Our extensive support of the State of Florida over the years has enabled us to understand the complexities of the State government and its unique needs.

As a result of our experience with the State of Florida and our extensive experience in providing similar services for State government and educational facilities, we fully understand the most critical and most challenging aspects of the project. Most important, we are prepared to address those aspects to ensure the initial and continued success of the project. For example:

- The combination of AT&T's network infrastructure and support services will provide the flexible, scalable network services required to support the evolving needs of the educational community.
- AT&T technical resources, including resources for AT&T Labs, will provide the network design and architectural support.
- Robust, online reporting capabilities will provide the easy access to information and data needed to meet legislative reporting requirements to maintain e-rate eligibility.
- Our cost-effective solution will reduce capital expenditures for the State, as well as ongoing operational and administrative costs.

Superior Technical Solution

AT&T is proposing a combination of services and support to provide the secure, high-performance bundled Internet access solution required to meet the Internet needs of Florida schools. These services are offered on the most reliable, high performance IP network services platform available in the industry.

For optimal performance, flexibility, and security, AT&T is proposing to create a Next Generation FIRN virtual private network (VPN) that will provide high-speed, high-performance Internet access, and will provide any-to-any connectivity for the DOE-defined school districts.



Bundled Internet Access Service

Key features and services of the proposed solution include the following:

- Secure, flexible VPN capabilities and full any-to-any connectivity among all site on the network via AT&T Multiprotocol Label Switching (MPLS) Private Network Transport (PNT)
- High-speed, high-performance dedicated Internet Access via AT&T Managed Internet Service (MIS)
- Secure remote dial access via AT&T Managed VPN Tunneling Services (AVTS)
- Data protection and security via firewalls, inherent network security measures, and integration of the current content filtering capabilities into the solution
- Web-based, network-hosted e-mail via AT&T Business Internet Mail (BIM)
- Guaranteed service levels. No vendor offers more reliable or high quality services than AT&T— and we guarantee it with the best Service Level Agreements (SLAs) in the industry.

AT&T's proposed Next Generation FIRN solution is built on two key strengths of AT&T: our industry-leading IP backbone and services and our ability to provide industry-leading managed services.

The Next Generation FIRN will become an extension of the AT&T IP Backbone, which maintains an industry-leading 99.9% availability. Key advantages of this approach include:

- The network platform will fully leverage the benefits and advantages of the award-winning AT&T IP network, including the industry-leading AT&T high performance OC-48/OC-192 IP backbone, extensive private peering/bandwidth, and efficient network capacity provisioning
- High Performance and Reliability - connectivity to the award-winning AT&T IP Backbone provides superior performance and reliability for all users.
- Comprehensive, proactive network monitoring and management of all network elements ensure continued network availability
- Scalability - sites can be easily added/deleted and bandwidth can be easily expanded to meet increasing usage requirements.
- Flexibility - new service features (such as Quality of Service (QoS), Voice Over IP (VoIP), and integrated voice, data, and video IP services) can be easily integrated into the solution
- Extends the utilization of facilities and resources beyond the Internet to any-to-any connectivity
- AT&T's IP network facilities and services incorporate extensive security mechanisms
- Complete network design, provisioning, management, and support by AT&T eliminates operational burdens

AT&T rated for having the fastest IP backbone.

Boardwatch/Keynote Backbone Testing Study, 2002

